

# Index

*Page numbers in italics indicate boxed text*

- absorption rate, 216, 217
- abusive transactions, 33
- acknowledgement letter, glossary
  - definition of, 353
- acquisition cost, 15
- adjoining property: effect of easements on, 227–228; contiguous property rule, 230–231, 229–231, 233; enhancement rule, 231–233, 233; other benefits, value of, 233–235, 234
- administrative appeals, 267–270
- Agricultural Conservation Easement Program (ACEP), 116–117, 140
- Allen v. United States*, 148
- alternative minimum tax, 179
- amendments, see easement amendments
- appraisal of easements. *See* appraisal methods; qualified appraisal; valuation of easements
- appraisal methods, 215–220: comparable sales method, 219–220; discounted cash flow method, 216–218; diminution in value, 218–219; replacement method, 215–216
- appraisal regulatory requirements, 220–227, 222, 223–224: before and after approach, 221, 223–227, 223–224, 226; direct comparable sales approach, 221–222
- appurtenant easements, 43
- Asser v. Commissioner*, 275
- Atkinson v. Commissioner*, 67
- attorney's fees. *See* reserving of rights by landowner, requirements for
- audits, 262; appeals, 267–270; conclusion of, 265–267; likelihood of, 18, 19–20, 21–22; penalties, 270–277, 271–272, 273, 276; selection of returns for, 263; statute of limitations, 264–265; types of, 263–264
- Avery v. Commissioner*, 256, 257–258
- Babilonia v. Commissioner*, 144
- bargain sales, 10, 10–11, 14; glossary
  - definition of, 353–354; and donative intent, 145, 145–146
- baseline documentation report (BDR), 21, 63, 90; as requirement for deduction, 123–125
- basis, glossary definition of, 354;
  - adjustment rule, 180; calculating, 176, 176–177; corporations and, 186–187, 187; limitation to, 175–176; real estate developers and, 182–184, 183; reduction of, 180, 180–181, 181, 317; stepped-up, for estate assets, 317–319, 318, 319; trusts and, 197
- before-and-after valuation, 153, 162, 214, 221, 230–231, 232; determining after value, 224, 227; determining before value, 223–224, 223–227. *See also* comparable sales method
- Belk vs. Commissioner*, 59, 59, 97–98, 110
- benefit, definition of, 234
- binding precedent, definition of, 5–6
- binding commitment, 152
- Blackstone, Sir William, 1
- blockage, glossary definition of, 354
- Blue Book, 306
- Bond v. Commissioner*, 34, 35, 36
- Bosque Canyon v. Commissioner*, 80, 124
- Briggs v. Commissioner*, 99, 119
- bundle of twigs or sticks, 6–7
- business purpose doctrine, 28–33, 29, 31–32
- businesses, small. *See* farm
- C corporations, definition of, 185;
  - conversion into S, 188
- capital gain, glossary definition of, 354;
  - property, glossary definition of, 354
- Carpenter v. Commissioner*, 82, 99, 103, 132, 135
- Carroll v. Commissioner*, 19, 99, 138–139, 241
- carry-over basis, 281, 318; glossary
  - definition of, 354

## Index

- CFR. See Code of Federal Regulations (CFR)
- Chandler v. Commissioner, 211, 225
- charitable contributions. See tax benefits/deductions; estate tax
- charitable remainder trust, 321–323, 322–323; glossary definition of, 354; unitrust, glossary definition of, 354;
- charitable trust doctrine, glossary definition of, 354
- Circuit Courts of Appeals, U.S., 5–6, 239–241
- cluster development, 14, 14–15
- Code, the. See Internal Revenue Code of 1986
- Code of Federal Regulations (CFR), 3; authority of, 20; Treasury Regulations in, 18–19
- Cohan v. Commissioner*, 258
- Coke, Sir Edward, 1
- collapsible transactions, 28, 30, 154
- comfort rulings, definition of, 4
- Commentaries on the Laws of England, 1
- common law: definition of, 1; glossary definition of, 355
- comparable sales method, 215, 217, 218, 219–220, 221–222, 222, 223, 225, 226–227; glossary definition of, 355;
- condemnation, 133–136; glossary definition of, 355
- Congress, and federal tax laws, vii
- Congressional Budget Office estate tax estimates, 278
- conservation buyer transactions, 7, 15–16, 16, 150–155, 151, 153, 155; glossary definition of, 355; and IRS Notice 2004-41, 154
- Conservation Easement Audit Techniques Guide, 18, 100–101, 104
- conservation easements: glossary definition of, 355; basis, calculation of, 176–177; basis, reduction of, 180–181, 181; compliance with state law, 45–46, 45; defending, resources for, 60–61; definition of, 8–9; easements in general, 43; glossary definition of, 356; estate plans, use with, 310–315, 312–313, 314, 315; estate taxes and, 303–317, 307–308, 309, 312–313, 314, 315, 316; extinguishment of, 131–140, 137; government approvals exchanged for, 146–149; purchase of development rights (PDR), 11–12; qualified organizations, 46–61, 51, 53, 56, 57, 59; real estate developers and, 182–184, 183; Section 2032A special valuation, use with, 314–315, 314; substitutions, 58–59, 59; and transfer of development rights (TDR), 12; transfers of, 62; value impact, 227–235, 230–231, 233, 235; unified exclusion amount, use with, 315, 315; value replacement, 315–317, 316; values, glossary definition of, 355; annual gift tax exclusion, use with, 311–313, 312. See also perpetuity of easements; tax benefits/deductions
- conservation purposes. See qualified conservation purposes
- conservation tools, 8–16: conservation easements, 8–9; bargain sales, 10–11; development rights: purchase of, 11–12; transfer of, 12–14; cluster development, 14; buyer transactions, 15–16
- consideration, 25; glossary definition of, 355
- Constitution, U.S.: Fifth and Fourteenth Amendments to, 134; Tenth Amendment to, 2
- contemporaneous, 260–261, 261
- contiguous property rule, 229–231, 233; glossary definition of, 355
- contribution base, defined, 164; glossary definition of, 355
- contributions of conservation easements, treatment of, 52–54, 53; tax avoidance and, 28
- contribution expenses, tax treatment of, 208–209
- corporations, partnerships, etc.: corporations (C and S), 184–190, 187; estate planning and, 282–285, 286; limited liability companies, 190–193, 192; limited partnerships, 193; trusts, 193–197, 196, unlimited write-off for, 172
- Court of Claims, U.S., 5, 26
- credit buyer, 206–207

## Index

- cy pres doctrine, 112, 132; glossary  
definition of, 355
- damages. *See* restoration of damages
- deceased spousal unused exclusion  
(DSUE), 280, 294
- DeJong v. Commissioner*, 144
- detrimental reliance, 150, 151
- development analysis, 200; glossary  
definition of, 356
- development enhancement, 183-184
- development rights banking, 11; glossary  
definition of, 356. *See also* purchase of  
development rights
- diminution in value, 218-219, 227
- discount rate, 217-218, 287, 313
- discounted cash flow (DCF), 200, 215,  
216-218, 225, 226-227; glossary  
definition of, 356
- discounts, discounting: for lack of control,  
286; for lack of marketability, 286;  
glossary definition of, 356. *See also*  
discount rate, discounted cash flow,  
gift tax
- Discriminate Function Systems (DIF), 263
- disqualified person, 105-107, 105, 107;  
glossary definition of, 356
- District Court, U.S., 5
- doctrine of detrimental reliance. *See*  
promissory estoppel
- donative intent, 23-25, 24, 30-32, 140-  
144, 157-158; bargain sales and, 145-  
146, 145-146; conservation buyer  
transactions, 7, 15-16, 16, 150-155,  
151, 153, 155; and Form 8283, 253;  
glossary definition of, 356;  
government approvals exchanged for  
easements, 146-149, 147-149; real  
estate developers and, 184; reciprocal  
easements, 156-157, 156
- donor's entire interest less qualified  
mineral interest, 38-41, 40
- "down-zoning," 12; glossary definition of,  
356
- dual-character contribution, 16, 142-144,  
145, 155, 155; glossary definition of,  
356
- Dunlap v. Commissioner*, 275
- easements. *See* conservation easements
- easement amendments, 100-110, 105, 107,  
108, 109-110; tax rules as applied to,  
104-110, 105, 107, 108, 109-110;  
restrictions on use of charitable assets,  
107-108, 108; excess benefit  
transactions, 105-106, 105; paying  
more than fair market value, 108-109;  
protecting conservation purposes, 109-  
110, 109-110; substantial contributor,  
106-107, 107;
- easements in gross, 43-44,
- easement value impact, 227-235;  
contiguous property rule, 229;  
enhancement rule, 231-233
- economic substance requirement, 28-33,  
29, 31-32; glossary definition of, 356
- eligible donee, glossary definition of, 356
- eminent domain, condemnation by, 133-  
136
- enhanced write-off, 164
- enhancement rule, 231-233, 233; glossary  
definition of, 357
- estate in fee simple, 6-7; glossary  
definition of, 357. *See also* fee simple
- estate tax: bypass trusts, 294-298, 296,  
297, 307-308, 312-313; cautions, 298;  
charitable giving and, 321-324, 322-  
323; conservation easements and, 303-  
317, 307-308, 309, 312-313, 314, 315,  
316; credit for prior transfers, 298;  
generation-skipping transfers, 300-  
301, 301; gross estate, 290-291;  
installment payments of, 301-303,  
320; life insurance, 320-321; marital  
deduction, 294-298, 296, 297;  
qualified real property (farms, small  
businesses), 298-300, 299; restrictions  
affecting value, 317; same-sex  
marriages and, 294; state estate taxes,  
325; stepped-up basis for assets, 317-  
319, 318, 319; tax returns and  
payments, 319-320; taxable estate,  
291-292, glossary definition of, 362;  
unified exclusion amount, 292-294,  
293, 315, 315, glossary definition of,  
363; unified estate and gift tax, 279-  
280, glossary definition of, 363. *See  
also* gift tax
- Evans v. Commissioner*, 275

## Index

- excess benefit transaction, 105–106, 105;
  - glossary definition of, 357
- exchanges, tax deferred, 209–210
- excise tax, glossary definition of, 357
- exempt organization. *See* qualified organization
- exempt organizations deriving income from operations, 54–55
- extinguishment of easement, 131–140, 137;
  - definition of, 110–112, 111
- extraction of minerals, oil, and gas. *See* qualified mineral interest gifts
  
- facts and circumstances test, 54
- fair market value: and bargain sales, 145, 145, 159; and basis, 176, 180; and BIG tax, 189; definition of, 212; determining, 200–201, 227, 299, 303; and easements, 9, 10–11, 10, 29, 95, 135–137, 137, 221, 222; and Form 8283, 253; glossary definition of, 357; good faith estimate of, 258–260, 259–260; paying far below, 198–199; paying more than, 108, 155; in qualified appraisal, 242
- family limited partnership, glossary definition of, 357
- family member, defined (for contiguous property rule), 231
- farm: corporation status and, 185;
  - definition of, 167–168; estate taxes on, minimizing, 278, 298–300, 299;
  - installment payments of estate tax on, 301–303; remainder interest in, 41–42, 323–324; and tax-deferred exchanges, 209
- Farm and Ranch Lands Protection Program (FRPP). *See* Agricultural Conservation Easement Program (ACEP)
- federal courts, decisions by. *See* Circuit Courts of Appeals, U.S.; Tax Court
- federal government, land acquisition by, 7
- federal law, supremacy of, 2
- federal tax benefits. *See* tax benefits; tax law
- fee interests: as alternative to conservation buyer transactions, 15–16; definition of, 6–7
- fee simple, 6–7, 282; glossary definition of, 357; qualified mineral interest, 39–41, 40
- Financial Institutions Reform, Recovery, and Enforcement Act of 1989, 212
- Form 8283 (appraisal summary), 247;
  - filling out, 247–250; land trust responsibilities, 250–255; signing, 250–255; supplemental information for, 250
- Foster v. Commissioner*, 218
- French v. Commissioner*, 36
- fundraising events and charitable contributions, 16
  
- Gardner v. Commissioner*, 144
- gas and oil interests. *See* qualified mineral interest gifts
- generation-skipping transfer tax, 300–301
- gift tax, 280–290, 281, 287, 288; annual exclusion, 280–282, 281, glossary definition of, 353; cautions about gifts, 289–290; discounting, 285–288, 288; exemptions to, 288–289; gifts of land, 282–284; unified exclusion amount, and, 280, glossary definition of, 357. *See also* estate tax
- Glass v. Commissioner*, 65, 66, 67
- Goldsby v. C.I.R.*, 197
- good faith: estimate, 26, 155, 257–260, 259–260; exception to taxpayer penalty, 275–277, 276
- goods and services received: effect on tax deduction of, 26, 34, 35, 155, 234; Form 8283 and, 257–258; substantiation of, 238, 256–257
- Gorra v. Commissioner*, 99, 225
- government approvals exchanged for easements, 146–149, 147–149
- governmental units, 49–50
- Graev v. Commissioner*, 94, 99, 119
- grants, unusual, 54
- Great Northern Nekoosa Corp. v. United States*, 21, 117, 120
- guiding precedent, definition of, 5–6
  
- handshake transactions, 150
- Hernandez v. Commissioner*, 141, 144
- Hewitt v. Commissioner*, 35–36

## Index

- highest and best use: definition, 212–213; determining, 153, 200–201, 213–215, 224–225, 271–272; discounted cash flow method and, 216–217, 225–226; glossary definition of, 358; larger parcel rule and, 230–231, 230n, 231, 271–272
- historic preservation, 83; diminution in value method and, 218, 219, 225; façade easements, 80–82, 85, 277; federal tax credit for rehabilitation of, 161; historic land areas, 83–85, 84; historic structures, 85–87, 86–87; public access, 87–88; regulations regarding, 247
- holding period, 176
- illiquid assets, glossary definition of, 358
- impermissible private benefit, glossary definition of, 358
- inconsistent uses: prohibition, 89, 90–91, 90, 91; exception to, 91–92, 91–92; dealing with, 92–93, 93
- inheritance taxes. *See* estate tax
- insider, glossary definition of, 358. *See also* disqualified person
- intestacy, glossary definition of, 358
- Institutes of the Lawes of England, 1
- Internal Revenue Code of 1986: and deductibility of conservation easements, 20; definition of, 2–3; as source of federal tax law, 18–19
- Internal Revenue Service: conservation transactions, scrutiny of, by, 17–18, 19–22, 21–22; IRS administrative materials, 3–4, 20; publications providing taxpayer guidance, 4. *See also* Internal Revenue Code of 1986
- Irby v. Commissioner*, 140, 256
- IRS Notice 2004-41, 154
- inurement, *see* private inurement
- Joint Committee on Taxation, 278; Blue Book by, 306
- judicial branch, judicial review by, 2, 18–19; glossary definition of, 358
- Kaufman v. Commissioner*, 99, 100, 114–115, 208, 211, 225, 239n, 239–240, 274, 277
- Kaufman v. Shulman*, 81, 101, 102
- Kiva Dunes v. Commissioner*, 67
- Klauer v. Commissioner*, 29
- land banking, 11; glossary definition of, 358. *See also* purchase of development rights
- Land Trust Alliance: Amending Conservation Easements, 103; Land Trust Accreditation Commission, 17, 60; and syndications, 202; 2010 National Land Trust Census, 8
- Land Trust Standards and Practices, 60, 252; stewardship and enforcement funds, 61; and syndications, 202–203, 203; on value of easement, 254
- Lardas v. Commissioner*, 240
- larger parcel rule, 230–231, 230n, 230–231; glossary definition of, 358
- Law Reports, 1
- legal permissibility, 213, 215
- life estate, glossary definition of, 358
- life insurance, 320–321
- like-kind exchange, glossary definition of, 358
- limited liability companies, 190–193, 192; glossary definition of, 359
- limited partnerships, 193
- liquid assets, glossary definition of, 359
- Long Green Valley Association v. Bellevale Farms*, 103
- Ludwick v. Commissioner*, 286, 287
- Marbury v. Madison*, 2
- marital deduction, 294–295; bypass trusts, and, 295–296, 296; qualified terminable interest property trusts, and, 296–298
- market absorption, 287
- McLennan v. United States*, 26, 30, 32, 141–142, 207
- McNeil v. Commissioner*, 206
- mineral interest. *See* mining rights; qualified mineral interest gifts
- mining rights, 115, 116–123, 117, 118, 122. *See also* qualified mineral interest gifts
- Minnick v. Commissioner*, 113, 270, 274
- minority discount. *See* discounts for lack of control

## Index

- Mitchell v. Commissioner*, 113  
*Mohamed v. Commissioner*, 36–37  
monitoring requirements, 126–127, 127  
moral obligation, 24–25  
mortgages, subordination of, 112–115, 138  
*Mountanos v. Commissioner*, 273
- National Conference of Commissioners of Uniform State Laws, 8  
National Land Trust Census, 8  
natural resources inventory. *See* baseline documentation report (BDR)  
Nature Conservancy, The, 7
- net investment income tax, glossary definition of, 359  
net operating loss, glossary definition of, 359  
North Dakota Century Code, 44  
notice requirements, 125–126
- “off-conveyances,” 7  
oil and gas interests. *See* qualified mineral interest gifts  
open space, 14  
ordinances, definition of, 2  
ordinary income property, glossary definition of, 359  
organizations, qualified. *See* qualified organizations
- paired sales analysis, glossary definition of, 359  
*Palmer Ranch Holdings, LTD. v. Commissioner*, 215, 219, 225, 276  
par value, glossary definition of, 359  
partial interest rule, 22–23, 23  
partial interest gifts, glossary definition of, 359  
parcel, servient, 43; dominant, 43  
part performance, 150–152, 151  
partnerships, 33. *See also* corporations, partnerships, etc.  
pass-through entity, 33, 202; glossary definition of, 359. *See also* corporations, partnerships, etc.  
penalties, 270–277, 271–272, 273–274, 276: for appraisers, 270–272, 271–272; for taxpayers, 272–277, 273–274, 276; “good faith” exception, 275–277, 276; overvaluation penalties, 272–274, 273–274; substantial tax underpayment, 274–275; valuation overstatement penalty, 270–272, 271  
Pension Protection Act, 85, 164  
perpetual conservation restriction, 42–45, 45–46  
perpetuity of easements, 157; amending, 100–110, 105, 107, 108, 109–110; definition of, 93–94, 95; exception to, 98–100; extinguishment of, 110–112, 111; mortgages, subordination of, 112–115, 138; requirements for, 96–98, 96–98; rule against (vesting), 100  
phasing, 173–175, 174–175  
*Pollard v. Commissioner*, 25–26, 147, 184  
pond construction, 117–118  
portability, 279–280, 293–294, 295, 297–298, 320; glossary definition of, 360  
post-mortem election, 308–310, 310  
precedent, rule of, 5–6; glossary definition of, 360  
preliminary appraisal, 235–237, 236, 237  
present interest, 284; glossary definition of, 360  
prior transfer credit, 298  
private inurement, glossary definition of, 360; prohibition against, 106  
private letter rulings, definition of, 3–4; glossary definition of, 360  
pro rata, glossary definition of, 360  
promissory estoppel, 150  
promulgate, glossary definition of, 360  
public access. *See* historic preservation; qualified conservation purposes  
public benefit, criteria for, 75–76, 76–77  
public support test, 51–52, 51; contributions, treatment of, 52–54, 53; facts and circumstances test, 54; grants, unusual, 54  
purchase of development rights (PDR), 11–12, 222; glossary definition of, 360
- qualified appraisal, 241–243, 270, 271, 275, 277; glossary definition of, 360;  
qualified appraiser, 243–246, 246, 275; glossary definition of, 360  
qualified conservation contributions, 22–23, 165; donor’s entire interest less qualified mineral interest, 38–41, 40;

## Index

- glossary definition of, 360;
- inconsistent uses prohibited, 89–93, 90, 91, 91–92, 93; perpetual
- conservation restriction, 42–45, 45–46;
- remainder interest, 41–42
- qualified conservation purposes, 62–63; glossary definition of, 355; historic preservation, 83–88, 84, 86–87; open-space preservation, 68, 75–76, 76–77; preservation of wildlife habitat, 65–67, 65, 67; prevention of intrusion or development, 78–83, 78–80; public access, 82–83; public recreation or education, 63–65, 64; pursuant to governmental conservation policy, 71–75, 72–74; scenic easements, 68–71
- qualified farmer, 167
- qualified mineral interest gifts, 39–41, 40, 166. *See also* mining rights
- qualified organizations, 46–47, 56, 57, 59; accreditation of, 60; commitment of, 55–57, 56, 57, 58–59, 59, 98, 109–110, 109–110; exempt organizations, government supported, 55; exempt organizations, publicly supported, 50–55, 51, 53; glossary definition of, 360; governmental units, 49–50; reporting requirements for, 58; requirements for, 47–48; resources of, necessary, 60–61; types of, 48–50
- qualified rancher. *See* qualified farmer
- qualified real property interest, 38–46
- qualified real property special valuation, 298–300, 299–300
- quid pro quo, glossary definition of, 361
- quid pro quo transactions, 25–27, 25–27; glossary definition of, 361
  
- ranch. *See* farm
- real estate developers and easements, 182–184, 183
- receiving zone, 12
- reciprocal easements, 156–157, 156
- reciprocal fee payment provisions, 129
- recognition event, glossary definition of, 361
- reduction in value, 303–304
- Regulations, the. *See* Code of Federal Regulations (CFR)
  
- regulatory law, definition of, 2; glossary definition of, 361
- related party, defined (for contiguous property rule), 232, 233
- remainder interest, 41–42, 323–324; glossary definition of, 361
- remedies and damages, 129–140, 131, 137; reciprocal attorney’s fee provisions, 129–130; replacement cost damages, 130–131, 131; easement extinguishment, 131–133; condemnation, 133–136; extinguishment division of sales proceeds, 136–139, 137; use of proceeds by easement holder, 139–140
- “remoteness” exception, 118–120
- replacement (cost) method, 215–216;
- remoteness letter, glossary definition of, 361
- reserving of rights by landowner, requirements for: enforcement and restoration, 127–128, 128; extinguishment of easement, 131–140, 137; monitoring requirements, 126–127, 127; natural resources inventory (baseline), 123–125; notice requirements, 125–126; other remedies, damages, and attorney’s fees, 129–131, 131
- restoration of damages: enforcement and, 127–128, 128; from mining, 121; other remedies, damages, and attorney’s fees, 129–131, 131
- restraints on alienation, 43
- revenue rulings, definition of, 3
- restrictions on future use of land, 43–44
- right-of-way easement, 43
- Rothman v. Commissioner*, 218
  
- S Corporations, applicable taxes, 188; conversion from C, 188; definition of, 186–187; glossary definition of, 362; tax credits from contributions, 189
- Scheidelman v. Commissioner*, 211, 218, 239n, 239–240, 243
- Schmidt v. Commissioner*, 216–217
- Schrimsher v. Commissioner*, 257–258
- second-to-die insurance policy, 316; glossary definition of, 362
- sending zone, 12

## Index

- sham transaction doctrine, 28–33, 29, 31–32, 154, 169
- Simmons v. Commissioner*, 35, 80–81, 99, 101–102, 218–219, 225
- split estate, 116–117
- stare decisis, definition of, 5–6
- state law: estate taxes and, 325; as statutory, 2; supremacy of, over local ordinances, 2
- statutory law: definition of, 2; federal law as, 1, 2; glossary definition of, 362
- statute of frauds, 150
- step transactions, 28
- stepped-up basis, 281, 317–319; glossary definition of, 362
- Stiebling v. Commissioner*, 144
- Stotler v. Commissioner*, 99
- Strasburg v. Commissioner*, 102, 175
- Stubbs v. United States*, 149
- subordination of mortgages, 112–115; glossary definition of, 362
- substantial compliance, 19–20, 33–37, 35–36, 152
- substantial contributor, glossary definition of, 362
- substantial economic effect, glossary definition of, 362
- substantiation requirements, 238; acknowledgment of contribution, 255–261, 261; Form 8283 (appraisal summary), 247–261, 259–260, 261, glossary definition of, 358; judicial actions regarding, 238–241; qualified appraisals and appraisers, 241–246, 246
- substitutions of easements, 58–59, 59
- Supreme Court, binding decisions of, 6, 267
- surface mining. *See* mining rights
- syndications, 28, 30–33; tax deduction syndications, 197–203, 199, 203, glossary definition of, 362
- tax avoidance: abusive transactions, 33; BIG tax, 188–189; “Dirty Dozen” tax shelters, 263; easement contributions and, 28; sham transactions, 28–33, 29, 31–32, 154, 169
- tax benefits/deductions, 159–160; alternative minimum tax (AMT), 179; of bargain sales, 10–11, 10, 14; calculation of, 160–179, 161, 162, 163, 165, 168, 169, 170–171, 174–175, 176, 177–178, 179; cluster development and, 14–15; of conservation buyer transactions, 15–16, 16; of conservation easements, 9, 19–22, 21, 22; credits vs. deductions, 161–162, 161; donative intent, 23–25, 24, 30–32, 207; dual-character contribution, 16; expenses as, 208–209; expiration of, 179, 179; farmers and ranchers, write-off for, 167–169, 168, 169; and fundraising events, 16; goods and services received, effect on, 26, 34, 35, 155, 234; mining rights, 115, 116–123, 117, 118, 122; partial interest rule, 22–23, 23; of purchase of development rights (PDR), 11–12, 14; qualified conservation contributions, 22–23; qualified conservation purposes, 62–88, 64, 65, 67, 72–74, 76–77, 78–80, 84, 86–87; quid pro quo transactions, 25–27, 25–27; substantial compliance, 19–20, 33–37, 35–36; tax deduction syndications, 197–203, 199, 202–203; of transfer of development rights (TDR), 12–13, 13. *See also* corporations, partnerships, etc.; estate tax; gift tax; tax avoidance; tax credits; valuation of easements
- Tax Court: appeal to, by taxpayer, 266–267; decisions by, vii, 17–18, 19, 20, 33, 34–36, 284–285; definition of, 4–5; precedential value of decisions of, 140; regarding substantiation, 238–241. *See also* Circuit Courts of Appeals, U.S.; individual court cases
- tax credits, 14, 68; and deductions, 169, 207; federal treatment of state, 204–205, 205–207, 205, 206; purchase of, 206–207, 206; and S corporations, 197
- tax deductions. *See* tax benefits/deductions
- tax law: definition of, 2–3; Internal Revenue Code as source of, 18–19
- Tax Policy Center, 278
- tax preference items, glossary definition of, 362
- tax shelter, glossary definition of, 362



## Index

- tax-deferred exchanges, 209–211; glossary definition of, 362. *See also* like-kind exchange
- taxable gain, glossary definition of, 362
- Tempel v. Commissioner*, 206
- tenancy in common, 282, glossary definition of, 362
- termination of easement: extinguishment, 131–140, 137
- Thayer v. Commissioner*, 223
- transfer of development rights (TDR), 12–14, 13; glossary definition of, 363
- transfers of conservation easements, 62
- Treasury Department: Treasury Regulations, 3, 18–19
- trusts, 193–197, 196; bypass trusts, 294, 295–298, 296, 297, 307–308; charitable remainder trust, 321–323, 322–323; Crummey Trusts, 281; gross estate and, 290–291, glossary definition of, 357; inter vivos trust, 316, glossary definition of, 358; personal residence trust, glossary definition of, 359–360; qualified personal residence trust, glossary definition of, 361; qualified terminable interest property (QTIP) trust, 296–298, 297, glossary definition of, 361; revocable trust, glossary definition of, 361; use of, 324–325
- Turner v. Commissioner*, 84
- ultra vires actions, 56
- Uniform Conservation Easement Act (UCEA), 8, 44–45
- Uniform Standards for Federal Land Acquisition (USFLA), 228
- Uniform Standards of Professional Appraisal Practice (USPAP), 211, 226, 228; glossary definition of, 363
- United States v. American Bar Endowment*, 142–143
- United States v. Winthrop*, 182–183, 183
- up-zoning, 12; glossary definition of, 363
- U.S. Constitution. *See* Constitution, U.S.
- U.S. Tax Court, definition of, 4–5
- valuation of easements: appraisal methods, 215–227, 222, 223–224, 226; basic concepts, 211–215; effect on other property of, 227–235; penalties on, 270–275, 271–272, 273; preliminary appraisals, 235–237, 235–237 vesting, 100
- Wachter v. Commissioner*, 44
- Wall v. Commissioner*, 114–115
- will, glossary definition of, 363
- Winthrop Factors, 182–183, 183
- Wolfsen Land & Cattle Co. v. Commissioner*, 219
- written determinations (WDs), 72
- Zarlengo v. Commissioner*, 225
- 1982 East LLC v. Commissioner*, 114–115
- 2031(c) exclusion, 303–304
- 501(c)(3), glossary definition of, 353